PROJECTS RECOMMENDED FOR DEAUTHORIZATION FIRST ANNUAL REPORT—SUPPLEMENT NO. 2

COMMUNICATION

FROM

THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

TRANSMITTING

A SUPPLEMENT TO THE FIRST ANNUAL REPORT RECOM-MENDING DEAUTHORIZATION OF CERTAIN PROJECTS, PUR-SUANT TO SECTION 12 OF PUBLIC LAW 93-251



OCTOBER 1, 1976.—Referred to the Committee on Public Works and Transportation and ordered to be printed

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LETTER OF TRANSMITTAL



DEPARTMENT OF THE ARMY OFFICE OF THE ASSISTANT SECRETARY

WASHINGTON, D.C. 20310

September 30, 1976

Honorable Carl Albert Speaker of the House of Representatives Washington, D. C. 20515

Dear Mr. Speaker:

I concur with the recommendations of the Chief of Engineers in the inclosed report entitled "Projects Recommended for Deauthorization--First Annual Report, Supplement No. 2," dated 30 August 1976.

The Office of Management and Budget advises that there is no objection to the submission of this report to Congress.

Sincerely,

1 Incl As stated Victor V. Veysey

Assistant Secretary of the Army
(Civil Works)

PROJECTS RECOMMENDED FOR DEAUTHORIZATION FIRST ANNUAL REPORT, SUPPLEMENT NO. 2

REPORT OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314

REPLY TO ATTENTION OF:

DAEN-CWP-A

August 30, 1976

SUBJECT: Projects Recommended for Deauthorization--First Annual Report, Supplement No. 2

THE SECRETARY OF THE ARMY

1. I recommend you withdraw the following two projects from the Chief of Engineers' first annual list of projects submitted to Congress for deauthorization:

I-74049-N Ontonagon Harbor--Pier Repair and Dredging, Michigan I-73988-N Green Bay Harbor, Wisconsin

- 2. The first annual list was submitted to Congress on 16 June 1975, under the provisions of Section 12, Public Law 93-251. The list is contained in House Document No. 94-192. Congress adjourned sine die prior to the required 180 days of continuous session subsequent to the submittal of the first list. The list, therefore, was resubmitted on 13 February 1976, at which time nine projects were withdrawn. This report is contained in House Document No. 94-378.
- 3. I have inclosed information supporting my recommendations, together with pertinent correspondence.

1 Incl

J. W. MORRIS Lieutenant General, USA Chief of Engineers

INFORMATION SHEET

On

RECOMMENDED WITHDRAWALS FROM LIST OF PROJECTS RECOMMENDED FOR DEAUTHORIZATION--FIRST ANNUAL REPORT

(House Document Numbers 94-192 and 94-378)

1. I-74049-N, Ontonagon Harbor--Pier Repair and Dredging, Michigan

- a. The State of Michigan Department of Natural Resources concurred in the proposed project deauthorization on 29 October 1974, primarily because the project lacked economic justification.
- b. By letter of 28 April 1976, the State Department of Natural Resources recommended that the project be removed from the deauthorization list in recognition of plans by the Intermix Corporation to commence shipping one million tons of commerce per year through Ontonagon Harbor in 1977.
- c. The Intermix Corporation plans warrant further study to determine their effect on the feasibility of the work authorized by the River and Harbor Act of 1962.
- d. A copy of the State of Michigan Department of Natural Resources' letter of 28 April 1976 is attached.

2. I-73988-N, Green Bay Harbor, Wisconsin

- a. The Green Bay Harbor project was recommended for deauthorization due to the lack of economic justification, based on data available in 1974. The City of Green Bay, however, opposed the deauthorization.
- b. In February 1976, the Fort Howard Paper Company submitted to the Chicago District Engineer its analysis of benefits which could be achieved if the Green Bay Harbor project were constructed. This analysis identified potential benefits not previously considered, including growth of the Company since 1966. The Company states that it experienced a three-fold increase in coal consumption since 1960; coal is the major commodity received at the Fort Howard Company dock, which would be serviced by the authorized project. The analysis also predicts a four percent annual increase in coal consumption.
- c. The Fort Howard Paper Company also identified two potential areas for reducing project costs, recommending a reduction in the length of channel deepening and greater utilization of existing vessels.

- d. The benefit analysis submitted by the Fort Howard Paper Company is supported by the American Steamship Company, the primary shipper of coal to the Fort Howard Company. The City of Green Bay, in a resolution dated 17 February 1976, also reaffirmed its previous objections to deauthorization of the uncompleted portions of the Green Bay Harbor project.
- e. The Fort Howard Paper Company analysis warrants further study by the Chicago District Engineer prior to deauthorizing the project.

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HATURAL RESUMMES COMMISSION

CARL Y JORISON
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WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF NATURAL RESOURCES

HOWARD A. TANNER, Director

April 28, 1976

WATERWAYS CO

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Serial No. 778-76 File No. ONT-Ont

Colonel Forrest T. Gay, III U.S. Army, Corps of Engineers St. Paul District 1217 U.S. Post Office & Custom House St. Paul, Minnesota

Dear Colonel Gay:

Intermix Corporation of White Pine, Michigan, has advised me that they intend to commence lake shipping of 1,000,000 tons of limerock, fuel, cement and lightweight aggregate per year through Ontonagon Harbor, Michigan, commencing in 1977.

On October 29, 1974, I advised you that the Waterways Commission concurred in your recommendation that the Ontonagon navigation project be deauthorized. The basis for your recommendation and my concurrence was primarily that there was no longer economic justification because of a lack of commerce.

In recognition of the plans of Intermix Corporation, I request that the Ontonagon Harbor navigation project be removed from the deauthorization list.

Very truly yours,

Keith Wilson Chief

KW:rgl:efg

cc: Intermix Corporation